

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

West Stockholm Post Office
West Stockholm, New York 13696

Docket No. A2011-91

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 21, 2011)

On September 27, 2011, the Postal Regulatory Commission (Commission) received a petition for review from Darrell W. Tracy for the Ad Hoc Committee to Save West Stockholm P.O. (Petitioner) objecting to the discontinuance of the Post Office at West Stockholm, New York. The petition was postmarked September 9, 2011. On September 29, 2011, the Commission issued Order No. 883, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 883, the administrative record was filed with the Commission on October 12, 2011. On October 26, 2011, the Petitioner filed a participant statement.¹ The participant statement included letters in support from Congressman Bill Owens (NY-23), the landlords of the West Stockholm Post Office, and community member James Bullard.

The appeal received by the Commission on September 27, 2011, and subsequent comments, raise three main issues: (1) the effect on postal services, (2) the impact upon the West Stockholm community, and (3) the economic savings

¹ Participant Statement, October 26, 2011.

expected to result from discontinuing the West Stockholm Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the West Stockholm Post Office should be affirmed.

Background

The Final Determination to Close the West Stockholm, NY Post Office and Extend Service by Rural Route Service (FD), as well as the administrative record, indicate that the West Stockholm Post Office provides EAS-11 level service to 107 Post Office Box customers, and 17 delivery customers. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.³ The postmaster of the West Stockholm Post Office was promoted on June 25, 2005. A non-career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the temporary OIC will be reassigned or separated.⁴ The average number of daily retail window transactions at the West Stockholm Post Office is 38, accounting for 44 minutes of retail workload daily. Revenue has been declining: \$38,878.00 in FY 2008 (101 revenue units); \$31,969.00 in FY 2009 (83 revenue units); and \$32,179.00 in FY 2010 (84 revenue

² See 39 U.S.C. 404(d)(2)(A).

³ In these comments, specific items in the administrative record are referred to as "Item ____."

⁴ FD, at 9; Item No. 41, Proposal to Close the West Stockholm Post Office and Extend Service by Rural Route Service (Revised) ("Proposal"), at 11.

units).⁵ The West Stockholm Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Potsdam Post Office, an EAS-20 level office located six miles away, which has 318 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2. This service will continue upon implementation of the FD. FD at 2. Additionally, retail service is available at the Norwood Post Office, an EAS-16 level office located six miles away, which has 373 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the West Stockholm Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the West Stockholm Post Office. Questionnaires were also available over the counter for retail customers at the West Stockholm Post Office. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at West Stockholm Post Office, at 1. A letter from the Manager of Post Office Operations (Albany, NY) was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued

⁵ FD, at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

operation of the West Stockholm Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Potsdam Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22.

In addition, representatives from the Postal Service were available at the West Stockholm Fire Hall for a community meeting on May 11, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the West Stockholm Post Office, the Norwood Post Office, and the Potsdam Post Office from May 21, 2011 to July 22, 2011. FD, at 2; Item No. 41, Proposal, at 2. The FD was posted at the West Stockholm Post Office, the Norwood Post Office, and the Potsdam Post Office starting on August 24, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, minimal workload, declining office revenue,⁶ the variety of delivery and retail options (including the convenience of rural delivery and

⁶ See note 7 and accompanying text.

retail service),⁷ very little recent growth in the area,⁸ minimal impact upon the community, and the expected financial savings,⁹ the Postal Service issued the FD.¹⁰ Regular and effective postal services will continue to be provided to the West Stockholm community in a cost-effective manner upon implementation of the final determination. FD at 2.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the West Stockholm Post Office on postal services provided to West Stockholm customers. The closing is premised upon providing regular and effective postal services to West Stockholm customers.

The Petitioner's participant statement and supporting letters raise the issue of the effect on postal services of the West Stockholm Post Office's closing, noting the convenience of the West Stockholm Post Office and the importance of the West Stockholm Post Office to the community. These concerns regarding the effect on postal services in West Stockholm were considered by the Postal Service.

The West Stockholm Post Office has a small workload because based on small mail volume and few window transactions at the West Stockholm Post Office. FD, at 2;

⁷ FD, at 2-8; Item No. 41, Proposal, at 2-9.

⁸ FD, at 2; Item No. 16, Community Survey Sheet; Item No. 41, Proposal, at 2.

⁹ FD, at 8-9; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 9-11.

¹⁰ FD, at 10.

Item No. 41, Proposal, at 2. The Postal Service determines postmaster level and Post Office service hours by analyzing the workload of a Post Office. The West Stockholm Post Office serves 107 Post Office Box and 17 delivery customers. FD, at 2; Item No. 9, Worksheet for Calculating Workload Service Credit. The West Stockholm Post Office has an average number of daily retail window transactions of 38, accounting for 44 minutes of retail workload daily. Item No. 10, Window Transaction Survey. Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Potsdam Post Office. The window service hours of the Potsdam Post Office are from 8 a.m. to 5 p.m., Monday through Friday, and 9 a.m. to 12 p.m. on Saturday, with 318 Post Office Boxes available for rent. FD, at 2. In addition, customers may also receive retail service from the Norwood Post Office, located six miles away, where window service hours are from 8:30 a.m. to 11:30 a.m. and 1 p.m. to 4:30 p.m., Monday through Friday, and 9 a.m. to 12 p.m. on Saturday, with 373 post office boxes available for rent. FD, at 2.

The Postal Service has considered the impact of closing the West Stockholm Post Office upon the provision of postal services to West Stockholm customers. Rural route carriers will provide access to many retail services, alleviating the need to travel to the Post Office. FD at 2-8; Item No. 23, Postal Customer Questionnaire Analysis, at 1-2; Item No. 41, Proposal, at 2-9.

Petitioner's participant statement raises additional issues relating to the provision of postal services to West Stockholm customers. Petitioner expresses concerns on the feasibility and safety of rural carrier service during the winter, when snow banks fill

roadsides throughout the West Stockholm area. That specific concern was considered and addressed by the Postal Service. FD at 5-6. Petitioner also expresses concern about senior citizens, requiring them to travel greater distances to obtain postal services. Carrier service is beneficial to many senior citizens and those who face special challenges because it allows them to obtain some postal services without having to travel to the Post Office for service. FD at 6. In hardship cases or for special customer needs, special provisions can be made. *Id.* Finally, Petitioner states that the Potsdam Post Office does not have adequate parking. The Postal Service conducted a site visit at the Potsdam Post Office and determined that there is adequate parking at the Potsdam Post Office. FD at 3; Item No. 41, Proposal, at 5.

Thus, the Postal Service has properly concluded that all West Stockholm customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the West Stockholm Community

The Postal Service is obligated to consider the effect of its decision to close the West Stockholm Post Office upon the West Stockholm community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

West Stockholm is an unincorporated rural community located in Saint Lawrence County. The State Police provide police protection, with fire protection provided by the West Stockholm Volunteer Fire Department. The community is administered politically

by the Town of Stockholm. FD, at 8; Item No. 41, Proposal at 9. The questionnaires completed by West Stockholm customers indicate that, in general, the retirees, commuters, and others who reside in West Stockholm may travel elsewhere for other supplies and services, though there are several businesses located within West Stockholm. See generally FD at 8; Item No. 22, Returned customer questionnaires and Postal Service response letters; Item No. 41, Proposal at 9.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the West Stockholm Post Office upon the West Stockholm community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 8-9; Item No. 41, Proposal at 9-10. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD, at 9; Item No. 41, Proposal, at 9. The record makes clear that the Postal Service is addressing this concern through preservation of community identity by continuing the use of the West Stockholm name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD at 9; Item No. 41, Proposal, at 9;

Communities generally require regular and effective postal services and these will continue to be provided to the West Stockholm community. Carrier service is expected to be able to handle any future growth in the community. FD, at 2, Item No. 41, Proposal, at 2. The Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 9; Item No. 41, Proposal, at 9.

In addition, the Postal Service has concluded that nonpostal services provided by the West Stockholm Post Office can be provided by the Potsdam Post Office.

Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 8; Item No. 41, Proposal, at 9.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the West Stockholm Post Office on the community served by the West Stockholm Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the West Stockholm Post Office and would still provide regular and effective service. FD at 9, Item No. 20, Letter to Customer, at 1, Item No. 41, Proposal, at 11. The estimated annual savings associated with discontinuing the West Stockholm Post Office are \$37,255.00. FD at 9; Item No. 41, Proposal, at 11.

The Petitioner's participant statement includes correspondence from Lisa and Darren Tracy, the landlords of the West Stockholm Post Office, offering to reduce the lease cost by ten percent and freezing the rent at that rate for five years. In this case, however, the lease cost is a relatively small fraction of the total cost of operating the facility. Even with a reduction in rent, carrier service would be more cost-effective than maintaining the facility.

Petitioner also expresses concern over the additional gasoline costs for customers that will have to travel to the Potsdam Post Office. Such costs are not, however, required to be included in the economic savings calculation. In this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings, as the pertinent statute requires, that the “economic savings *to the Postal Service*” be factored in the savings calculation. See 39 USC 404(d)(2)(A)(iv) (emphasis supplied).

Petitioner also states that the discontinuance action is inconsistent with section 101(b) of Title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” The Postal Service's view is that the “maximum degree” obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community

could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on June 25, 2005. A non-career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the temporary OIC will either be reassigned or terminated. The record shows that no other employee would be adversely affected by this closing. FD, at 9; Item No. 15, Post Office Survey Sheet, at 1, Item No. 41, Proposal, at 11. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the West Stockholm Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the West Stockholm Post Office on the provision of postal services and on the West Stockholm community, as well as the economic savings that would result from the proposed

closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to West Stockholm customers. FD, at 2-8, Item No. 41, Proposal, at 2-9. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the West Stockholm Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the West Stockholm Post Office be affirmed.

Respectfully submitted,

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